

**DEVELOPMENT AND INFRASTRUCTURE COMMITTEE: 2 FEBRUARY 2016**

**REVENUE EXPENDITURE MONITORING REPORT  
AS AT 30 NOVEMBER 2015**

**JOINT REPORT BY EXECUTIVE DIRECTOR OF DEVELOPMENT AND  
INFRASTRUCTURE AND HEAD OF FINANCE**

**1. PURPOSE OF REPORT**

- 1.1 To advise of the revenue position as at 30 November 2015 across all General Fund and Non-General Fund Service Areas for which the Committee is responsible.

**2. RECOMMENDATIONS**

The Committee is invited to note:-

- 2.1 the revenue expenditure statement in respect of Development and Infrastructure for the period 1 April to 30 November 2015, indicating:
- 2.1.1 a net General Fund underspend of £245,000; and  
2.1.2 a net Non-General Fund underspend of £1,311,000; and
- 2.2 the explanations given and actions proposed, in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to this report.

**3. POLICY ASPECTS**

- 3.1 This report relates to the Council complying with its governance and financial processes and procedures and therefore does not relate specifically to progressing the Council's priorities.

**4. INTRODUCTION**

- 4.1 At its Special General Meeting held on 12 February 2015, as part of the budget setting process for 2015/16, the Council agreed the Revenue Estimates, Council Tax level and the contribution from General Fund Reserves for financial year 2015/16.

## 5. **BACKGROUND**

- 5.1 Individual revenue expenditure monitoring reports (REMRs) are circulated as briefing reports every month in order to inform committee members of the up to date financial position. From this committee cycle onwards quarterly REMRs are being presented to individual service committees. This quarterly report replaces the need for a monthly budget briefing this reporting period.
- 5.2 In terms of revenue spending, at an individual cost centre level, budget holders are required to provide an explanation of the causes of each material variance and to identify appropriate corrective actions to remedy the situation.
- 5.3 Material variances are identified automatically as Priority Actions (PAs) within individual budget cost centres according to the following criteria:-
  - 5.3.1 £10,000 **and** 10% more or less than Anticipated position;
  - 5.3.2 £50,000 more or less than Anticipated position.
- 5.4 Priority Actions can be identified at the Service Function level according to the same criteria and these are shown in the Revenue Expenditure Statements shown in Annex 1. As with individual cost centre variances, each of these Priority Actions requires an explanation and corrective action to be identified and these are shown in the Budget Action Plan in Annex 2.
- 5.5 The details have been provided following consultation with the relevant Executive Directors and their staff. In addition to the variances generated in the current month, the variances reported in previous reporting periods will remain within the Budget Action Plan until these actions have been completed.
- 5.6 The figures quoted within the Budget Action Plan by way of the underspend and overspend position will always relate to the position within the current month.
- 5.7 In setting its General Fund revenue budget for 2015/16, the Council determined that the Development and Infrastructure service should fund service pressure growth items of over £500,000 through self-financing. This proposal arose from the fact that there has been an historic end of year capacity in the Roads Service budgets, largely arising from above forecast income from the quarry operation.
- 5.8 In taking this decision, it was noted by Council that the self-financing mechanism was a risk based approach and the assumption that the historic surplus position will continue at a level to sustain the growth pressures in the long term is not certain. It was further noted by Council that there is a consequential degree of risk that the Service will enter into overspend during 2015/16 which may require an in year supplement.
- 5.9 The effect of this budget strategy is now becoming apparent as the overspend position in Operational Environmental Services is diminishing the underspends in other Development and Infrastructure service areas.

## 6. FINANCIAL SUMMARY

6.1 Annex 1 provides the detailed position by Service Area by Service Function. The table below provides a summary of the position across all Service Areas.

<b>General Fund Services</b>	<b>Spend</b>	<b>Budget</b>	<b>Over/Under</b>		<b>Annual</b>
	<b>£000</b>	<b>£000</b>	<b>Spend</b>	<b>%</b>	<b>Budget</b>
Roads	1,650	1,917	-267	86.1	3,814
Transportation	5,780	5,891	-111	98.1	9,581
Operational Environmental Services	1,379	1,121	258	123.0	2,308
E/Health and Trading Standards	374	431	-57	86.8	781
Development	1,206	1,244	-38	96.9	1,693
Planning	412	442	-30	93.2	741
<b>Service Totals</b>	<b>10,801</b>	<b>11,046</b>	<b>-245</b>	<b>97.8</b>	<b>18,918</b>
<b>Non-General Fund</b>					
Scapa Flow Oil Port	-2,700	-1,535	-1,165	175.9	-1,858
Miscellaneous Piers	-2,095	-1,949	-146	107.5	-753
<b>Service Totals</b>	<b>-4,795</b>	<b>-3,484</b>	<b>-1,311</b>	<b>137.6</b>	<b>-2,611</b>

6.2 The budget underspend across the General Fund service areas is £245K, alternatively expressed as 97.8% of the anticipated net spending position for the year to date.

6.3 The budget underspend across the Non-General Fund Service is £1,311K.

6.4 Across 8 service areas and 66 service functions, 25 Priority Actions have been generated which identify the main areas of budget variance. The number of Priority Actions which are generated across a particular Service Area is an indicator of the level of control that exists across that service.

6.5 Compared to last month, the number of PAs has decreased as follows:-

<b>Service Area</b>	<b>No. of PAs</b>		<b>Service Functions</b>	<b>PAs/ Function</b>
	<b>P7</b>	<b>P8</b>		
Roads	6	4	12	33%
Transportation	3	3	8	38%
Operational Environmental Services	6	5	6	83%
Development	1	2	9	22%
Env/Health and Trading Standards	1	1	3	33%
Planning	2	2	5	40%
Scapa Flow	4	5	11	45%
Miscellaneous Piers and Harbours	3	3	12	25%
<b>Totals</b>	<b>26</b>	<b>25</b>	<b>66</b>	<b>38%</b>

6.6 The Budget Action Plan attached as Annex 2 provides an explanation and proposed corrective action for each of the Priority Actions identified.

## **7. FINANCIAL IMPLICATIONS**

7.1 The Financial Regulations state that service directors are able to incur expenditure within an approved revenue budget. Such expenditure must be in accordance with the Council's policies or objectives subject to compliance with these Financial Regulations and approved schemes of delegation.

7.2 Additional expenditure requirements identified during the financial year can only be approved by means of a spending recommendation to the Policy and Resources Committee, subject to the use of emergency powers.

## **8. LEGAL ASPECTS**

8.1 Financial monitoring and reporting helps the Council meet its obligation to secure best value.

## **9. CONTACT OFFICERS**

9.1 Gavin Barr, Executive Director of Development and Infrastructure, Ext. 2301  
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## **10. ANNEXES**

10.1 Annex 1: Revenue Expenditure Statements as at 30 November 2015

10.2 Annex 2: Budget Action Plans

## Annex 1: Revenue Expenditure Statement as at 30 November 2015

		<b>Spend</b>	<b>Budget</b>	<b>Over/Under</b>		<b>Annual</b>
	<b>PA</b>	<b>£000</b>	<b>£000</b>	<b>Spend</b>		<b>Budget</b>
				<b>£000</b>	<b>%</b>	<b>£000</b>
<b>Roads</b>						
Winter Maintenance and Response	<b>1b</b>	224	252	-28	88.9	819
Street Lighting	<b>1b</b>	105	122	-17	86.1	251
Car Parks		11	2	9	550.0	-10
Other Works		45	47	-2	95.7	110
Traffic Management		141	137	4	102.9	285
Structural Maintenance		1,129	1,132	-3	99.7	1,597
Routine Maintenance		362	362	0	100.0	663
Quarries Holding Account	<b>1b</b>	-438	-74	-364	591.9	-100
Roads Holding Account	<b>1b</b>	0	-134	134	0.0	0
Fleet Holding Account		67	62	5	108.1	0
Movement in Reserves		0	0	0	n/a	-63
Miscellaneous		4	9	-5	44.4	262
<b>Service Totals</b>		<b>1,650</b>	<b>1,917</b>	<b>-267</b>	<b>86.1</b>	<b>3,814</b>

		<b>Spend</b>	<b>Budget</b>	<b>Over/Under</b>		<b>Annual</b>
	<b>PA</b>	<b>£000</b>	<b>£000</b>	<b>Spend</b>		<b>Budget</b>
				<b>£000</b>	<b>%</b>	<b>£000</b>
<b>Transportation</b>						
Administration		56	65	-9	86.2	173
Co-ordination	<b>1b</b>	48	35	13	137.1	75
Concessionary Fares	<b>1b</b>	87	74	13	117.6	133
Support for Operators - Buses	<b>1b</b>	291	404	-113	72.0	707
Support for Operators - Air		572	586	-14	97.6	1,004
Support for Operators - Ferries		3	2	1	150.0	3
Airfields		217	221	-4	98.2	407
Orkney Ferries		4,506	4,504	2	100.0	7,079
<b>Service Totals</b>		<b>5,780</b>	<b>5,891</b>	<b>-111</b>	<b>98.1</b>	<b>9,581</b>

**Annex 1: Revenue Expenditure Statement as at 30 November 2015**

	PA	Spend £000	Budget £000	Over/Under Spend £000	%	Annual Budget £000
<b>Operational Environmental Services</b>						
Burial Grounds	1b	73	50	23	146.0	104
Refuse Collection	1b	197	91	106	216.5	491
Waste Disposal	1b	628	463	165	135.6	824
Recycling		238	260	-22	91.5	501
Cleansing	1b	173	210	-37	82.4	388
OES Holding Account	1b	70	47	23	148.9	0
<b>Service Totals</b>		<b>1,379</b>	<b>1,121</b>	<b>258</b>	<b>123.0</b>	<b>2,308</b>

	PA	Spend £000	Budget £000	Over/Under Spend £000	%	Annual Budget £000
<b>E/Health and Trading Standards</b>						
Administration	1b	230	273	-43	84.2	491
Trading Standards		99	109	-10	90.8	204
Public Toilets		45	49	-4	91.8	86
<b>Service Totals</b>		<b>374</b>	<b>431</b>	<b>-57</b>	<b>86.8</b>	<b>781</b>

## Annex 1: Revenue Expenditure Statement as at 30 November 2015

		Spend	Budget	Over/Under		Annual
	PA	£000	£000	£000	%	Budget
						£000
<b>Development</b>						
Administration		331	345	-14	95.9	704
Business Gateway		97	97	0	100.0	158
EEC Expenditure		7	11	-4	63.6	12
Leader Programme		33	34	-1	97.1	19
Regeneration	<b>1b</b>	12	22	-10	54.5	38
Kirkwall Townscape Heritage	<b>1b</b>	36	55	-19	65.5	0
Tourism		1	0	1	n/a	126
Economic Development Grants		689	680	9	101.3	1,002
Movement in Reserves		0	0	0	n/a	-366
<b>Service Totals</b>		<b>1,206</b>	<b>1,244</b>	<b>-38</b>	<b>96.9</b>	<b>1,693</b>

		Spend	Budget	Over/Under		Annual
	PA	£000	£000	£000	%	Budget
						£000
<b>Planning</b>						
Administration		82	78	4	105.1	340
Development Management	<b>1b</b>	26	69	-43	37.7	113
Development Planning		283	303	-20	93.4	358
Building Standards	<b>1b</b>	-6	-34	28	17.6	-112
Archaeology		27	26	1	103.8	42
<b>Service Totals</b>		<b>412</b>	<b>442</b>	<b>-30</b>	<b>93.2</b>	<b>741</b>

## Annex 1: Revenue Expenditure Statement as at 30 November 2015

		Spend	Budget	Over/Under		Annual
		£000	£000	Spend	%	Budget
	PA	£000	£000	£000	%	£000
<b>Scapa Flow Oil Port</b>	<b>PA</b>					
Administration	<b>1b</b>	168	148	20	113.5	356
Environmental Unit		49	52	-3	94.2	86
Marine Officers and Pilots		368	360	8	102.2	565
Navigation		31	29	2	106.9	53
Weather Forecasts		6	6	0	100.0	8
Harbour Launches		381	403	-22	94.5	692
Towage Services	<b>1b</b>	1,301	1,527	-226	85.2	2,308
Harbour Dues	<b>1b</b>	-5,160	-4,226	-934	122.1	-6,347
Scapa Flow Development	<b>1b</b>	69	100	-31	69.0	166
Oil Pollution	<b>1b</b>	87	66	21	131.8	90
Finance Charges		0	0	0	n/a	165
<b>Service Totals</b>		<b>-2,700</b>	<b>-1,535</b>	<b>-1,165</b>	<b>175.9</b>	<b>-1,858</b>

		Spend	Budget	Over/Under		Annual
		£000	£000	Spend	%	Budget
	PA	£000	£000	£000	%	£000
<b>Miscellaneous Piers</b>	<b>PA</b>					
Piers	<b>1c</b>	-2,447	-2,344	-103	104.4	-2,111
Environmental Unit		10	10	0	100.0	16
Marine Officers and Pilots		142	141	1	100.7	221
Navigation		18	20	-2	90.0	35
Weather Forecasts		6	6	0	100.0	7
Harbour Launches		201	208	-7	96.6	328
Administration - MP	<b>1b</b>	166	188	-22	88.3	295
MP Development		61	69	-8	88.4	117
Oil Pollution	<b>1b</b>	39	24	15	162.5	38
Pilotage Income		-291	-271	-20	107.4	-398
Movement in Reserves		0	0	0	n/a	-392
Finance Charges		0	0	0	n/a	1,091
<b>Service Totals</b>		<b>-2,095</b>	<b>-1,949</b>	<b>-146</b>	<b>107.5</b>	<b>-753</b>



## Annex 2: Budget Action Plan

<b>Roads</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>RD4</b>	<p><b>Quarries Holding Account</b> Underspend £364K</p> <p>As in previous years it is anticipated that there will be a significant surplus at the year-end, circa £600K. The service continues to perform strongly in a competitive market.</p> <p>The Stage 1 Capital Project Appraisal (CPA1) costs of delivering the “tar plant” procurement and the CPA1 cost of preparing, planning and Environmental Impact Assessment for land purchase are circa £80K. This underspend will be used to fund these costs, and also to address the Operational Environmental Services predicted overspend of £236k.</p>	<p>This surplus should give the flexibility to maintain a balanced budget across all Development and Infrastructure General Fund services, noting the fact that the service has significant self-financed growth pressures this year, and that any quarry service demands would need to be met in the first instance (i.e. vehicle and plant) to maintain trading position.</p> <p>It is anticipated that these surpluses will be utilised to cover service pressures elsewhere at the year-end as noted.</p> <p>This was part of the approved 2015/16 budget setting strategy for Development and Infrastructure.</p>	D Richardson	<p><b>31/07/15</b> <b>31/03/16</b></p>	<b>P3 Action - Ongoing</b>

**Annex 2: Budget Action Plan**

<b>Roads</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>RD5</b>	<p><b>Roads Holding Account</b> Overspend £134K</p> <p>Budget profiles do not reflect the expenditure and income within the holding account. Further income of £100K relating to this period is to be charged therefore real overspend is actually £34K (due to time lag between posted costs and charging of income).</p>	<p>Monitor income and expenditure in holding account and reprofile accordingly.</p> <p>Ongoing, continue to monitor budgets.</p>	D Richardson	<p><del>31/07/15</del> <del>30/09/15</del> 31/12/15</p>	<b>P3 Action - Ongoing</b>
<b>RD6</b>	<p><b>Fleet Holding Account</b> Overspend £5K</p> <p>Income budget profiles have resulted in significant increase in anticipated income in P7 and therefore change from underspend to overspend.</p>	<p>No action, monitor.</p> <p>Re-profile income budget and monitor.</p> <p>A virement has been undertaken in period to address this for next cycle.</p>	D Richardson	<p><del>31/07/15</del> 30/09/15</p>	<b>P3 Action - Completed</b>
<b>RD9</b>	<p><b>Car Parks</b> Overspend £9K</p> <p>Mainly due to income received significantly less</p>	<p>No action, monitor budget, address virement next period.</p>	D Richardson	<b>31/10/15</b>	<b>P6 Action - Completed</b>

**Annex 2: Budget Action Plan**

<b>Roads</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
	<p>than budget.</p> <p>This will be offset by one-off support (2015/16 from Economic Development of £28K for free parking offer).</p>				
<b>RD11</b>	<p><b>Structural Maintenance</b> Underspend £3K</p> <p>Underspend will be accounted for in P8 as a result of recent resurfacing works in Kirkwall.</p>	No action, monitor budget.	D Richardson	<b>30/11/15</b>	<b>P7 Action - Completed</b>
<b>RD12</b>	<p><b>Street Lighting</b> Underspend £17K</p> <p>Variance reflective of fluctuations between planned expenditure and actual, which will be caught up and completed in financial year.</p>	No action, monitor budget.	D Richardson	<del>30/11/15</del> <b>31/12/15</b>	<b>P7 Action - Ongoing</b>

**Annex 2: Budget Action Plan**

<b>Roads</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>RD13</b>	<p><b>Winter Maintenance and Response</b> Underspend £28K</p> <p>Variance reflective of fluctuations between profiled planned expenditure and actual. A mild commencement to the season, as with the 2014/15 season, is likely to see an underspend. Like 2014/15, this forms part of the wider management of Development and Infrastructure service pressures should the 2015/16 season remain mild, providing capacity to meet the growth pressures.</p>	No action, monitor budget.	D Richardson	<b>31/12/15</b>	<b>New Action</b>

## Annex 2: Budget Action Plan

<b>Transportation</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>TR1</b>	<p><b>Concessionary Fares</b> Overspend £13K</p> <p>Due to higher than anticipated use of concessionary travel on Orkney Ferries.</p>	Overspend continues to decrease slowly as anticipated. Therefore no action at this stage as spend and budget profile should come back into balance as the fixed number of concessionary allocations is used up.	B Archibald	<del>31/10/15</del> 31/03/16	<b>P3 Action - Ongoing</b>
<b>TR2</b>	<p><b>Support for Operators – Buses</b> Underspend £113K</p> <p>Due to late/lack of invoices from bus operators.</p>	Profile to remain unaltered and for late invoicing to continue to be highlighted on a monthly basis.	B Archibald	<del>31/10/15</del> 31/03/16	<b>P3 Action - Ongoing</b>
<b>TR5</b>	<p><b>Co-ordination</b> Overspend £13K</p> <p>Due to high repairs, cleaning and maintenance costs at Kirkwall Travel Centre.</p>	No action at this stage but will continue to monitor as overspend reduces as anticipated.	B Archibald	<del>31/10/15</del> 31/12/15	<b>P4 Action - Ongoing</b>

## Annex 2: Budget Action Plan

<b>Operational Environmental Services</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>OES1</b>	<p><b>Burial Grounds</b> Overspend £23K</p> <p>Work progressed as detailed in the Members Briefing Note dated 03/11/15. Sandwich drainage works, tender was higher than planned.</p>	Details of expenditure to be investigated to confirm whether substance of expenditure is revenue or capital and journals to be processed if necessary.	D Richardson	<p><del>31/07/15</del> <del>30/09/15</del> 31/12/15</p>	<b>P3 Action - Ongoing</b>
<b>OES2</b>	<p><b>Refuse Collection</b> Overspend £106K</p> <p>An underlying budget deficit is due to historic housing growth, this was flagged up in the 2015/16 budget setting process and has been recognised and suggested to be managed within overall Development and Infrastructure underspends, predominately coming from Roads underspends.</p>	<p>This is being considered as a future service pressure bid as part of 2016/17 budget setting process.</p> <p>In the meantime it is anticipated that this budget will continue to run with a deficit position and that this will be addressed at the year-end by a virement from Development and Infrastructure budgets where there is a surplus. An earlier virement is not proposed in order to ensure transparency of the pressures on this budget during 2015/16.</p>	D Richardson	<p><del>31/12/15</del> 31/03/16</p>	<b>P3 Action - Ongoing</b>

**Annex 2: Budget Action Plan**

<b>Operational Environmental Services</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>OES3</b>	<p><b>Recycling</b> Underspend £22K</p> <p>Labour costs (seasonal recruitment) lower than planned, combined with some costs (invoices) not coming forward in the period so far (shipping) and slow but progressive impact of commercial collection activity.</p>	No action, monitor.	D Richardson	<b>30/09/15</b>	<b>P3 Action – Completed</b>
<b>OES4</b>	<p><b>Cleansing</b> Underspend £37K</p> <p>Problems with driver availability (cover for sickness and annual leave), therefore lower spend than planned given diversion of resources elsewhere.</p>	<p>Temporary 1 year recruitment completed, driver appointed and weed killing undertaken.</p> <p>Continue to monitor.</p>	D Richardson	<b>30/09/15</b> <b>31/12/15</b>	<b>P3 Action – Ongoing</b>
<b>OES5</b>	<p><b>OES Holding Account</b> Overspend £23K</p> <p>Recharges behind budget profile.</p>	Process recharges and monitor.	D Richardson	<b>30/09/15</b> <b>31/12/15</b>	<b>P3 Action - Ongoing</b>

**Annex 2: Budget Action Plan**

<b>Operational Environmental Services</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>OES6</b>	<p><b>Waste Disposal</b> Overspend £165K</p> <p>An underlying budget deficit is due to historic housing growth, this was flagged up in the 2015/16 budget setting process and has been recognised and suggested to be managed within overall Development and Infrastructure underspends, predominately coming from Roads underspends.</p>	<p>This is now subject of a service pressure bid for consideration as part of 2016/17 budget setting process.</p> <p>In the meantime it is anticipated that this budget will continue to run with a deficit position and that this will be addressed at the year-end through virement from other Development and Infrastructure budgets where there is surplus. An earlier virement is not proposed in order to ensure transparency of the pressures on this Budget during 2015/16.</p>	D Richardson	<p><del>31/10/15</del> <del>31/12/15</del> 31/03/15</p>	<b>P5 Action - Ongoing</b>



**Annex 2: Budget Action Plan**

<b>E/Health and Trading Standards</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>EH1</b>	<p><b>Administration</b> Underspend £43K</p> <p>Due to two staff vacancies. One post now filled. Recruitment for other post has proved difficult with a third attempt to recruit to be made in the New Year. Actions being undertaken to ensure a successful recruitment process will result in increased staff costs.</p>	<p>No action at this stage.</p> <p>Should the underspend persist, a virement to cover pressures within the Development and Infrastructure Service will be processed.</p>	R Mackay	<p><del>30/09/15</del> 30/11/15</p>	<b>P4 Action - Ongoing</b>

## Annex 2: Budget Action Plan

<b>Development</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>DV4</b>	<p><b>Tourism</b> Overspend £1K</p> <p>There has been a delay in receiving invoices from service providers.</p>	This will be closely monitored.	J Falconer	<b>30/11/15</b>	<p><b>P7 Action - Completed</b></p> <p>Invoices received in P8.</p>
<b>DV5</b>	<p><b>Kirkwall Townscape Heritage</b> Underspend £19K</p> <p>Income paid by funders. Because of the way funding is paid it is difficult to accurately profile funding.</p>	No action.	J Falconer	<b>31/12/15</b>	<b>New Action</b>
<b>DV6</b>	<p><b>Regeneration</b> Underspend £10K</p> <p>Earmarked for specific costs which have not yet been invoiced.</p>	No action required at present.	J Falconer	<b>31/12/15</b>	<b>New Action</b>

**Annex 2: Budget Action Plan**

<b>Planning</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>PL2</b>	<p><b>Development Management</b> Underspend £43K</p> <p>Due to a combination of staff vacancies and higher than anticipated fee income at this stage in the year.</p>	<p>Continue to monitor.</p> <p>A virement to cover pressures within the Development and Infrastructure Service (e.g. PL3 – Building Standards) will be processed should the underspend persist.</p>	R Mackay	<p><del>31/10/15</del> 31/12/15</p>	<b>P6 Action - Ongoing</b>
<b>PL3</b>	<p><b>Building Standards</b> Overspend £28K</p> <p>Due to lower than anticipated fee income at this stage in the year.</p>	Continue to monitor.	R Mackay	<b>30/11/15</b>	<b>P7 Action - Ongoing</b>

## Annex 2: Budget Action Plan

<b>Scapa Flow</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>SF1</b>	<p><b>Towage Services</b> Underspend £226K</p> <p>Due to higher than forecast levels of oil tanker and other activity in Scapa Flow against anticipated budget at this stage of the year.</p>	No action, continue to monitor.	B Archibald	<del>31/12/15</del> 31/03/16	<b>P3 Action - Ongoing</b>
<b>SF2</b>	<p><b>Harbour Dues</b> Income Surplus £934K</p> <p>Due to higher than forecast levels of oil tanker and other activity in Scapa Flow against profile at this stage of the year.</p>	<p>No action, continue to monitor as surplus continues to increase.</p> <p>Outturn will be dependent on oil market activity but, at current activity levels, the surplus will continue to increase.</p>	B Archibald	<del>31/12/15</del> 31/03/16	<b>P3 Action - Ongoing</b>
<b>SF5</b>	<p><b>Scapa Flow Development</b> Underspend £31K</p> <p>Several projects are running later than anticipated.</p>	<p>No action at this stage pending anticipated costs associated with these projects.</p> <p>A new cost centre has been set up for specific costs associated with the</p>	B Archibald	<del>30/09/15</del> <del>31/12/15</del> 31/03/16	<b>P5 Action - Ongoing</b>

**Annex 2: Budget Action Plan**

<b>Scapa Flow</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
		Special Protection Area proposals, funded by contributions from the Renewables, Redevelopment and Regeneration Fund, the Miscellaneous Piers and Harbours Account and the Scapa Flow Oil Port Account.			
<b>SF6</b>	<b>Navigation</b> Overspend £2K  Small budget of just £14K likely to be used by year end.	No action at this stage.	B Archibald	<b>30/11/15</b> <b>31/03/16</b>	<b>P7 Action - Completed</b>
<b>SF7</b>	<b>Administration</b> Overspend £20K  Wrongly coded costs.	Journal to be processed to post costs to correct cost centre code.	B Archibald	<b>31/12/15</b>	<b>New Action</b>
<b>SF8</b>	<b>Oil Pollution</b> Overspend £21K  Increased team and individual training. This level of training needs is not expected to continue for future years.	Virement to be processed from underspending budgets within the Scapa Flow Oil Port.	B Archibald	<b>31/03/16</b>	<b>New Action</b>

## Annex 2: Budget Action Plan

<b>Miscellaneous Piers</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>MP1</b>	<p><b>Administration – MP</b> Underspend £22K</p> <p>Due to staff vacancy (now filled) and lower than forecast levels of property maintenance.</p>	No action at this stage pending property maintenance activity and possible virements to other areas under pressure.	B Archibald	<del>31/10/15</del> <del>31/12/15</del> 31/03/16	<b>P3 Action - Ongoing</b>
<b>MP2</b>	<p><b>Pilotage Income</b> Income surplus £20K</p> <p>Due to slightly higher levels of activity than forecast for vessels requiring pilotage exemption cover.</p>	No action at this stage. Figures should balance out as activity levels fade later in the year and additional pilot training runs are undertaken.	B Archibald	<b>31/10/15</b>	<b>P3 Action - Completed</b>
<b>MP4</b>	<p><b>MP Development</b> Underspend £8K</p> <p>This has arisen due to later than anticipated project work.</p>	No action at this stage. Figures should balance as expenditure on works increase.	B Archibald	<b>30/09/15</b>	<b>P4 Action - Completed</b>
<b>MP5</b>	<p><b>Piers</b> Underspend £103K</p> <p>Activity levels better than forecast.</p>	No action required.	B Archibald	<b>31/03/16</b>	<b>New Action</b>

**Annex 2: Budget Action Plan**

<b>Miscellaneous Piers</b>					
<b>Action Point</b>	<b>Function/Explanation</b>	<b>Action</b>	<b>Responsible Officer(s)</b>	<b>Deadline</b>	<b>Status</b>
<b>MP6</b>	<b>Oil Pollution</b> Overspend £15K  Increased team and individual training. This level of training needs is not expected to continue for future years.	Virement to be processed from underspending budgets within the Scapa Flow Oil Port.	B Archibald	<b>31/03/16</b>	<b>New Action</b>